



Commonwealth of Massachusetts  
**DEPARTMENT OF HOUSING &  
COMMUNITY DEVELOPMENT**

Mitt Romney, Governor ♦ Kerry Healey, Lt. Governor ♦ Jane Wallis Gumble, Director

**M.G.L. c. 121B  
URBAN REVITALIZATION DEVELOPMENT GRANT  
APPLICATION GUIDELINES**

Urban Revitalization Development Grants (URDG) are available to municipalities to fund implementation of their approved Urban Renewal Plans. Under M.G.L. c. 121B Section 53 through 57, and implementing regulations, 760 CMR 12.06, the Department of Housing and Community Development (DHCD) may award URDG funding in an amount equal to half of the net project cost of an urban renewal project.

DHCD requires a separate application for URDG funds. It may be submitted at the same time as the urban renewal plan application or later, following plan approval. **Please note that plan approval does not automatically mean that DHCD will approve the request for URDG funds or that DHCD will approve a grant in the amount requested.** In all cases, DHCD will review the submitted funding request, make a determination as to eligible costs and approve a final estimated net project cost for purposes of making a grant award.

For DHCD to fund URDG awards, (1) an increase in the annual funding authorization; (2) an increase in the authorization for the program; (3) additional funding; and (4) rescinding the current prohibition on new multi-year funding commitments, must be approved by the Commonwealth. In any case, all grants are subject to annual state appropriations sufficient to fund all grant awards.

Municipalities must demonstrate to DHCD that 100% of the funds necessary to implement the Urban Renewal Plan are available, either through appropriation, bonding or certification of the availability of other funds (or some combination equal to 100% of net project costs). The Commonwealth will then reimburse the community in twenty equal annual payments (i.e., over a 20-year period) for up to 50% of net project costs. URDG payments are made based on estimated net project costs until the project is complete. When the project has been closed out, or when an audit indicates that a revised net project cost is warranted, an adjustment will be made to correct the Commonwealth's share and a revised annual payment will be processed for the remaining years.

### **Application Requirements**

All requests for URDG funding require detailed information including:

1. An executive summary of the Urban Renewal Plan including objectives, public actions, redevelopment activities and implementation timeline;
2. Identification of all known redevelopers and their proposed redevelopment activities;
3. A work plan describing the scope, sequence and timing of major tasks;
4. A detailed budget delineating all sources and uses of funds and a timeline of their availability;
5. Evidence of funding commitments.
6. A narrative describing the basis for the costs estimates with documentation supporting these estimates;
7. A detailed management plan for implementation of the Urban Renewal Plan and annual administrative budget;
8. A description of how redevelopment activities will be financed;
9. A resolution from the chief elected official approving the application for URDG funds;
10. Evidence that the municipality has appropriated 100% of project costs (e.g., local bond authorization, grants, loans, etc.);
11. A detailed description of projected income from land sales and/or leases and other income, as appropriate;
12. An explanation of the proposed local and state shares of net project costs.

URDG requests submitted after approval of the Urban Renewal Plan should also include the following information:

13. A description of activities undertaken to date – i.e., a status report on project implementation, as appropriate;
14. Detailed information on costs incurred-to-date;
15. Detailed information on any modifications to the Urban Renewal Plan (e.g., timelines, funding sources, proposed objectives, redevelopers, etc.) during the time between DHCD plan approval and the URDG request.

DHCD may request additional information for use in its determination of the URDG request.

### **Eligible Costs**

Costs eligible for URDG funding include:

- Land Acquisition
- Relocation
- Site Preparation
- Environmental Cleanup
- Public Improvements
  
- Administration
- Consultants

- Debt Service
- Contingency Fees

## **Calculating URDG Amount**

The methodology for calculating the amount of a URDG award is:

$$\text{Gross Project Costs } \textit{minus} \text{ Income} = \text{Net Project Costs} \div 2 = 50\% \text{ state \& local shares}$$

**Income:** All revenue generated from land sales and leases and other income including the net income from the operation of public facilities and federal and/or state funded grants targeted to specific projects/sites. Examples of income-generating public facilities include, but are not limited to, parking garages and sport stadiums. Examples of project/site specific grant funds include, but are not limited to, PWED, MHD, DEM, T-21, CDBG for small cities communities and CDAG.

Discretionary funds may be used by municipalities to pay for their 50% share of urban renewal costs. For this purpose, discretionary funds are defined as funds that municipalities receive through a noncompetitive process/are allocated by formula and that municipalities may spend at their discretion. Examples of discretionary funds include, but are not limited to, Chapter 90, CDBG for entitlement communities and local aid.

Although the Urban Renewal Plan is prepared and submitted by the local urban renewal agency (e.g., redevelopment authority, community development board, etc.) and plan implementation is under its purview, the URDG is awarded to the municipality. URDG funds are used to reimburse municipalities for locally appropriated funds that are used to pay the state's 50% share of net project costs.

## **Reporting Requirements**

URDG recipients must comply with reporting requirements under 760 CMR 12.06(2)(a). Grant recipients must submit an annual financial report -- an updated "Comparative Statement of Approved Budget to Actual Project Costs" -- and an independent audit of the project detailing all project income, costs and expenditures.

## **Acknowledging State Participation**

State participation in the financing of the Urban Renewal Project or activity should be acknowledged by project signs in the project area and in any book, plan, report or map prepared by the urban renewal agency or municipality.

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